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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/871,341	05/31/2001	Tim K. Keyes	RD-28408	9578

7590 12/13/2007
John S. Beulick
Armstrong Teasdale LLP
Suite 2600
One Metropolitan Sq.
St. Louis, MO 63102

EXAMINER

GRAHAM, CLEMENT B

ART UNIT	PAPER NUMBER
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3692

MAIL DATE	DELIVERY MODE
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12/13/2007

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 09/871,341	Applicant(s) KEYES ET AL.	
	Examiner Clement B. Graham	Art Unit 3692	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 10/1/2007.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-26,34,36-43 and 57 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-26,34,36-43 and 57 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. Claims 1-26, 34, 36-43, and 57 remained pending.

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1, 13, 34, 44, 57, are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Applicant's claims are directed to an algorithm. Specifically, 1, 13, 34, 44, 57, recites "generating", "determining" and "exporting", however these steps are mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, for example) and abstract ideas without a practical application are found to be non-statutory subject matter. Therefore, Applicant's claims are non-statutory as they do not produce a useful, concrete and tangible result.

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 1-26, 34, 36-43, and 57, are rejected under 35 U.S.C. 103(a) as being unpatentable over Johnson et al (Hereinafter 6, 985, 881) in view of Dingman et al (Hereinafter Dingman US Pub: 2002/0052766 A1).

As per claims 1-12, Johnson discloses a method for analyzing a deal that includes portfolios of distressed financial assets including loans or other financial instruments, using a network-based system including a server system coupled to a centralized database and at least one client system, said method comprising the steps of generating a cash flow data table from various data sources, the data table including data relating to each asset included within the portfolios, the server system generates the cash flow data table (see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines

5-18) importing cash flow data from the data table into a cash flow model; automatically segmenting cash flow data by potential asset disposition types by using the server system to apply the cash flow model, each asset having a potential asset disposition type assigned thereto (see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18) determining a cash flow timing and an expense timing for each asset included within the portfolios based on the potential asset disposition type assigned thereto, the determination of the timings performed using the cash flow model and the server system (see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18)

determining cash flow projections for the deal based on the determination of cash flow timings and expense timings for each asset included within the portfolios (see column 12 lines 1-17) performing sensitivity analysis using Monte Carlo Simulation Model to performing sensitivity analysis using Monte Carlo Simulation Model to provide different scenarios based on a variety of assumptions retrieved from the database including expected timing of recoveries, amount of recoveries, interest rates, and expenses the server system uses the Simulation Model to generate a probabilistic distribution of a possible value of the deal including risk associated with uncertainty of future events, and exporting cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks. (see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18).

Johnson fail to explicitly teach exporting cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks.

However Dingman discloses competitive bid circumstances when the content of the asset portfolios is not negotiable, the investor or seller has a strong financial incentive to select only the portions of total assets available for transaction that will give

their aggregated financial structure the best risk/return. Meeting minimum risk/return expected values with assets that will have a higher probability of maximum upside probabilities is even more attractive to investors. (see column 9 para 0095-0100). Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Johnson to include exporting cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks taught by Dingman in order to used the projections results to determine how build financially attractive bids.

As per claims 13-26, Johnson discloses a system for managing portfolio cash valuation for analog a deal that includes a portfolio of distressed financial assets including loans or other financial instruments, said system comprising:

- at least one client system;
- at least one server system coupled to a database for storing data; and
- a network connecting said at least one client system to said server system, wherein said server system is configured to:
 - generate a cash flow data table from various data sources, the data table including data relating to each asset included within the portfolios;
 - import cash flow data from the data table into a cash flow model (see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18) automatically segment cash flow data by potential asset disposition types utilizing the cash flow model. ach asset having a potential asset disposition type assigned (see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18) determine a cash flow timing and an expense timing for each asset included within the portfolio based on the potential asset disposition type assigned thereto, the determination of the timings performed using the cash flow model (see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18)

determine cash flow projections for the deal based on the determination of cash flow timings and expense timings for each asset included within the portfolio (see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18) perform a sensitivity analysis using a Monte Carlo Simulation Model to provide different scenarios based on a variety of assumptions retrieved from the database including expected timing of recoveries amount of recoveries, interest rates, and expenses the Simulation Model generates a probabilistic distribution of a possible value of the deal including risk associated with uncertainty of future events, perform a sensitivity analysis using a Monte Carlo Simulation Model to provide different scenarios based on a variety of assumptions retrieved from the database including expected timing of recoveries amount of recoveries, interest rates, and expenses the Simulation Model generates a probabilistic distribution of a possible value of the deal including risk associated with uncertainty of future events, and export cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks. (see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18).

Johnson fail to explicitly teach export cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks.

However Dingman discloses competitive bid circumstances when the content of the asset portfolios is not negotiable, the investor or seller has a strong financial incentive to select only the portions of total assets available for transaction that will give their aggregated financial structure the best risk/return. Meeting minimum risk/return expected values with assets that will have a higher probability of maximum upside probabilities is even more attractive to investors. (see column 9 para 0095-0100). Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Johnson to include export cash flow projections into a pre-determined format to develop financially attractive bids for the

deal that takes into account a variety of foreseeable risks taught by Dingman in order to used the projections results to determine how build financially attractive bids.

As per claims 34, 36-43, Johnson discloses a computer program embodied on a computer readable analyzing a deal that includes a portfolio of distressed medium for financial assets including loans or other financial instruments, said computer program capable to be of being processed by a server system coupled to a centralized interactive database and at least one client system, said computer program comprising: a code segment that receives information from various data sources; a code segment that generates a cash flow data table from various data sources, the data table including data relating to each asset included within the portfolio (see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18) a code segment that imports cash flow data from the data table into a cash flow model, a code segment that automatically segments cash flow data by potential asset disposition types utilizing the cash flow model, each asset having. a potential asset disposition type assigned thereto. (see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18) a code segment that determines a cash flow timing and an expense timing for each asset included within the portfolio based on the potential asset disposition type assigned thereto, the determination of the timings performed using the cash flow model (see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18) a code segment that determines cash flow projections for the deal based on the determination of cash flow timings and expense timings for each asset included within the portfolio(see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18) a code segment that performs sensitivity analysis using a Monte Carlo Simulation Model to provide different scenarios based on a variety of assumptions retrieved from the database including expected timing of recoveries, amount of recoveries, interest rates, and expenses, the Simulation Model

generates a probabilistic distribution of a possible value of the deal including risk associated with uncertainty of future events,. (see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18).

Johnson fail to explicitly teach a code segment that exports cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks.

However Dingman discloses competitive bid circumstances when the content of the asset portfolios is not negotiable, the investor or seller has a strong financial incentive to select only the portions of total assets available for transaction that will give their aggregated financial structure the best risk/return. Meeting minimum risk/return expected values with assets that will have a higher probability of maximum upside probabilities is even more attractive to investors. (see column 9 para 0095-0100). Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Johnson to include a code segment that exports cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks taught by Dingman in order to used the projections results to determine how build financially attractive bids.

As per claims 44-45, 47-50, Johnson discloses a centralized database for analyzing a deal that includes a portfolio of distressed financial assets including loans or other financial instruments, said database comprising:
data corresponding to generating a cash flow data table from various data sources, the data table including data relating to each asset included within the portfolio portfolios (see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18) data corresponding to importing cash flow data from the data table into a cash flow model, data corresponding, to automatically segmenting cash flow data by potential asset disposition types utilizing the cash flow model, each asset having a potential asset

disposition type assigned thereto portfolios (see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18) data corresponding to determining a cash flow timing and an expense timing for each asset included within the portfolio based on the potential asset disposition type assigned thereto, the determination of the timings performed using the cash flow model portfolios (see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18) data corresponding to determining cash flow projections for the deal based on the determination of cash flow timings and expense timings for each asset included within the portfolio portfolios (see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18) data corresponding to performing sensitivity analysis using a Monte Carlo Simulation Model to provide different scenarios based on a variety of assumptions retrieved from the database including expected timing of recoveries, amount of recoveries, interest rates, and expenses, the Simulation Model generates a probabilistic distribution of a possible value of the deal including risk associated with uncertainty of future events. portfolios (see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18)

Johnson fail to explicitly teach data corresponding to exporting cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks.

However Dingman discloses competitive bid circumstances when the content of the asset portfolios is not negotiable, the investor or seller has a strong financial incentive to select only the portions of total assets available for transaction that will give their aggregated financial structure the best risk/return. Meeting minimum risk/return expected values with assets that will have a higher probability of maximum upside probabilities is even more attractive to investors. (see column 9 para 0095-0100). Therefore it would have been obvious to one of ordinary skill in the art at the time the

invention was made to modify the teachings of Johnson to include data corresponding to exporting cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks taught by Dingman in order to use the projections results to determine how to build financially attractive bids.

As per claim 57, Johnson discloses a computer analyzing a deal that includes a portfolio of distressed financial assets including loans or other financial instruments, the computer coupled to a database, said computer programmed to see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18) generate a cash flow data table from various data sources, the data table including data relating to each asset included within the portfolio see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18) import cash flow data from the data table into a cash flow model; automatically segment cash flow data by potential asset disposition types utilizing the cash flow model, each asset having a potential asset disposition type assigned thereto see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18) determine a cash flow timing and an expense timing for each asset included within the portfolios based on the potential asset disposition type assigned thereto, the determination of the timings performed using the cash flow model see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18) determine cash flow projections for the deal based on the determination of cash flow timings and expense timings for each asset included within the portfolio perform sensitivity analysis using a Monte Carlo Simulation Model to provide different scenarios based on a variety of assumptions retrieved from the database including expected timing of recoveries, amount of recoveries, interest rates, and expenses, the Simulation Model generates a probabilistic distribution of a possible value of the deal including risk associated with uncertainty of

future events. see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18)

Johnson fail to explicitly teach exporting cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks.

However Dingman discloses competitive bid circumstances when the content of the asset portfolios is not negotiable, the investor or seller has a strong financial incentive to select only the portions of total assets available for transaction that will give their aggregated financial structure the best risk/return. Meeting minimum risk/return expected values with assets that will have a higher probability of maximum upside probabilities is even more attractive to investors. (see column 9 para 0095-0100). Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Johnson to include exporting cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks taught by Dingman in order to used the projections results to determine how build financially attractive bids.

Conclusion

Response to Arguments

5. Applicant's arguments files on 10/01/07 have been fully considered but they are moot in view of new grounds of rejections.

6. Applicant's claims 13, states "a server system configured to" and claim 44, states "data corresponding to automatically segmenting".

However the subject matter of a properly construed claim is defined by the terms that limit its scope. It is this subject matter that must be examined. As a general matter, the grammar and intended meaning of terms used in a claim will dictate whether the language limits the claim scope. Language that suggests or makes optional but does not require steps to be performed or does not limit a claim to a particular structure does not limit the scope of a claim or claim limitation. The following are examples of language that may raise a question as to the limiting effect of the language in a claim:

- (A) statements of intended use or field of use,
- (B) "adapted to" or "adapted for" clauses,
- (C) "wherein" clauses, or
- (D) "whereby" clauses.

This list of examples is not intended to be exhaustive. See also MPEP § 2111.04.

**>USPTO personnel are to give claims their broadest reasonable interpretation in light of the supporting disclosure. In re Morris, 127 F.3d 1048, 1054-55, 44 USPQ2d 1023, 1027-28 (Fed. Cir. 1997). Limitations appearing in the specification but not recited in the claim should not be read into the claim. E-Pass Techs., Inc. v. 3Com Corp., 343 F.3d 1364, 1369, 67 USPQ2d 1947, 1950 (Fed. Cir. 2003) (claims must be interpreted "in view of the specification" without importing limitations from the specification into the claims unnecessarily). In re Prater, 415 F.2d 1393, 1404-05, 162 USPQ 541, 550-551 (CCPA 1969). See also In re Zletz, 893 F.2d 319, 321-22, 13 USPQ2d 1320, 1322 (Fed. Cir. 1989) ("During patent examination the pending claims must be interpreted as broadly as their terms reasonably allow.... The reason is simply that during patent prosecution when claims can be amended, ambiguities should be recognized, scope and breadth of language explored, and clarification imposed.... An essential purpose of patent examination is to fashion claims that are precise, clear, correct, and unambiguous.

Only in this way can uncertainties of claim scope be removed, as much as possible, during the administrative process."<

Where an explicit definition is provided by the applicant for a term, that definition will control interpretation of the term as it is used in the claim. Toro Co. v. White Consolidated Industries Inc., 199 F.3d 1295, 1301, 53 USPQ2d 1065, 1069 (Fed. Cir. 1999) (meaning of words used in a claim is not construed in a "lexicographic vacuum, but in the context of the specification and drawings."). Any special meaning assigned to a term "must be sufficiently clear in the specification that any departure from common usage would be so understood by a person of experience in the field of the invention." Multiform Desiccants Inc. v. Medzam Ltd., 133 F.3d 1473, 1477,

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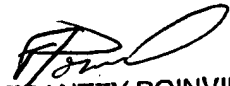
45 USPQ2d 1429, 1432 (Fed. Cir. 1998). See also MPEP § 2111.01.

7. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Clement B Graham whose telephone number is 571-272-6795. The examiner can normally be reached on 7am to 5pm. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz Abdi, can be reached on 571-272-6702. The fax phone numbers for the organization where this application or proceeding is assigned are 571-273-8300 for regular communications and 703-305-0040 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-305-3900.

CG

DEC 5, 2007


FRANTZY POINVIL
PRIMARY EXAMINER
AU 3692